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## **News Release**

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### **Minnetonka man pleads guilty to bank fraud, money laundering**

A 56-year-old Minnetonka man pleaded guilty yesterday in federal court to his role in a residential real estate loan scam.

Michael I. Striker pleaded guilty to one count of bank fraud and one count of money laundering. He entered his plea Aug. 10 in Minneapolis before United States District Court Judge Joan Ericksen. Striker was indicted on Aug. 19, 2008.

According to Striker's plea agreement, from March 2003 to September 2003, he executed a scheme to defraud Associated Bank and obtain money by means of false and fraudulent pretenses. Striker was the president and sole owner of U.S. Equities of Minnesota, a real estate company that entered into 21 real estate loans with the bank.

A co-defendant was a construction loan officer at the bank who processed and approved the loans, which totaled more than \$4 million. Striker admitted those loans were approved based on false and misleading information he submitted. Striker also admitted giving his co-defendant a Rolex watch worth several thousand dollars for his services.

In total, Striker obtained more than \$724,000 in cash back at the closings on the loans. Although the loans were purported to be for construction rehab projects, Striker admitted he used some of the loan funds for unrelated expenses and debts. Furthermore, Striker paid more than \$100,000 in brokerage fees to a mortgage brokerage company even though it did not broker any of the loans.

Specifically, on Sept. 3, 2003, Striker issued a \$13,000 check from U.S. Equities, payable to River Run Properties, knowing the funds were derived from bank fraud.

Striker faces a potential maximum penalty of 30 years on the bank fraud count and 10 years on the money laundering count. Judge Ericksen will determine his sentence at a future date.

This case is the result of an investigation by the Internal Revenue Service-Criminal Investigation Division and the Federal Bureau of Investigation. It is being prosecuted by Assistant U.S. Attorneys William J. Otteson and John Docherty.